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August 18, 2025

To,
BSE Limited
25th Floor,
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Dalal Street,
Mumbai 400 001

BSE Scrip Code: 512437

Sub: Transcript of Investors and Analysts Call/ Earnings Call for the Quarter ended June 30, 2025

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the earnings call held on August 12, 2025 for the Quarter ended June 30, 2025.

We request you to kindly take the same on record.

Thanking You,
For Apollo Finvest (India) Limited

MIKHIL RAMESH INNANI

Digitally signed by MIKHIL RAMESH INNANI
Date: 2025.08.18 17:52:27 +05'30'

Mikhil Innani
Managing Director & CEO
DIN: 02710749

Encl: As above

"Apollo Finvest (India) Limited

Q1 FY '26 Earnings Conference Call"

August 12, 2025

MANAGEMENT: **Mr. Mikhil Innani:** Managing Director & Chief Executive Director
Ms.Diksha Nangia: Whole Time Director & Chief Financial Officer
Ms.Disha Khemani: Company Secretary and Compliance Officer

Disha Khemani	Hi, everyone. A very good morning. Thank you for taking the time to join us today. I am Disha Khemani, Company Secretary and Compliance Officer of Apollo Finvest India Limited. I welcome you all to the Q1 Financial Year 2026 Earnings call of Apollo. We have Mr. Mikhil Innani, the Managing Director and CEO, and Ms. Diksha Nangia, the CFO of Apollo, to brief you about the previous quarter results. In case you have any questions or insights for us during the meeting please drop your questions in the Q&A section. Hi, Diksha, may I please request you to take this forward.
Diksha Nangia	Thank you, Disha, Yes, good morning, everyone. Welcome to the Earnings call just give me a minute, we'll, just share our screen. Mikhil, if you could just do so, please. So I'll just, you know, pause for a minute, just let you guys see the numbers. We've tried to, you know, I mean, honestly, in this highly volatile industry that we are in, this quarter has been as consistent as it could be. Where our revenue has been close to around 7 crores, and we've been able to generate a part of close to 3 crores for tax. If there are any questions regarding this, happy to take it on later. Maybe we'll move on to the next slide, then. Alright, so here we'll talk about the enhanced due diligence. Now, this is something new that we've been working on this quarter. Of course, earlier we've spoken about how term loans are the fastest way for us to get started from a partnership standpoint, and we've also taken you through the entire due diligence that we look at while evaluating all the NDFCs that we work with in the digital space. You know, before, we used

	to deep dive into their financials, the portfolio quality, of course, we had to do that. Their management pedigree, and, you know, comparing, their numbers with the rest of the industry, etc. But this quarter, we've gone an extra mile, like, quite literally, and started visiting these companies so that we get a better flavor of how these companies function. Our team has visited around 4-5 cities in the past quarter, and we've spent an entire day with each company just to get a pulse of the company, to get a feel of what is their DNA is truly like. You know, we've started to meet a lot of their members, rather than just the key management that we used to get to meet earlier, you know, while visiting each other's offices or on virtual calls. But sitting on the ground, understanding what they're exactly doing, how they function, the culture, the vibe. All of these things has given us a very deep understanding of the company who we are, you know, wanting to partner with. A key dimension that was missing earlier in the due diligence process was understanding the DNA, which, of course, I'm sure you know Excel sheets and documents cannot ever clarify. And this is what we found, that, you know, basically not all digital lending companies are tech-first, and of course, there's no right or wrong. But it's important to understand their approach, because this helps us in identifying them better and evaluating them better, in terms of what are the risks associated with partnering with these companies. Of course, some companies, we realized, are very, dependent and very underwriting heavy in terms of the kind of data science teams that they have built around, the kind of ML models they use. A lot have already started using AI to their advantage as well. And this… and they have a much leaner collections team. So then you know that this company that you're evaluating is more underwriting heavy and less collections heavy, and of course, they probably don't need a very collections-heavy team, because their underwriting is that deep and strong. So this gives us an understanding of how to partner with them in the future. Also, there are some companies which are very collection-focused. You know, there are those who have 300-member-plus in-house collections teams, and of course, like I said, there's no right or wrong, but it helps us understand what their motive is when we visit them in person. And another key aspect, you know, which any partnerships business involves, or any B2B business involves, is relationship building, which is something that gets deeper, because, see, finally, our partners are our extended team members. And it's important because it's full of friction,

	it can be full of friction. You're working with them on a daily basis. So our team visiting them, sitting with their team members, who they will eventually be interacting with on a daily basis, also helps our team get in sync with them. Not just from a due diligence perspective, but also making sure that the relationship moving forward remains smooth, frictionless. As frictionless as possible, because we've been doing this for 8 years, and we understand the value of partnerships being less transactional and more relationship-based also. So yes, this is a key thing that we've done this quarter. And, it's not only helped us identify the partners, help us work with them better, but it's also helped Apollo in terms of knowing what its key strength is. You know, having sat with them for, like, a good 24 hours and worked very closely with them, you know, we at Apollo have realized that our key strength truly is technology, which we were very happy to have double-checked on while we visited these companies. And, yes, this is the update from a due diligence standpoint. What I'll do is I'll ask Mikhil, you know, to take this forward. He'll tell you a little more about what else has been growing in Apollo internally.
Mikhil Innani	Managing Director: All right, thank you so much, Diksha. Let me just, you know, carry on this ahead. So, you know, one of the things that we had touched on last time, right, is the fact that we really wanted to deepen our distribution, and we didn't want to work with, you know, just the run-of-the-mill or, you know, guys who were just starting out, right? We wanted to kind of work with people who've proven themselves to a large degree. And, you know, as you can see, I think over the last couple of quarters, we've made tremendous progress. You know, pretty much, I would say, you know, I think we end up… we've ended up working with you know, at least the top-tier, you know, fintechs in the ecosystem. If not all of them, the majority of them, as you can see, you know, we've, basically laid them out as well, right? I think one of the biggest questions we had last time is. You know, who are the companies that we are looking to work with, but I think, given the work that we've done over the last, you know, few quarters. Now we're happy to kind of share this list as well.

	You know, you can see the list is quite varied. There are companies which are, you know, targeting right from, you know, your salaried employees to your blue-collar workers, some in, you know, Tier 3, Tier 4 cities, some targeting only, kind of, you know, women borrowers as well. So the goal has been, you know, to have a pretty diverse, set, but all kind of focused towards, you know, the unsecured retail space, or the unsecured MSME space, right? So the spectrum is quite wide. And across all of them, you know, basically our focus has been to establish, to some kind of partnership or the other, right? Maybe it's a, you know, BC partnership, whether it is a co-lending partnership, or finally, whether it is a term loan partnership, right? It's been either of the three that we've liked to establish with them, because what we kind of found out is. You know, one can lead to another, as we kind of mentioned in the previous quarter as well, and, you know, Diksha kind of talked about it as well. Our focus has always been to try and first establish with NBFC as a term loan relationship, where we get to understand, you know, the numbers of their company a lot better, and once we're able to do that and, you know, establish a deep relationship with them by even visiting their offices and having comfort between the two teams. That usually expands in a BC or a co-lending partnership. But sometimes opposite scenarios have also happened, where we've ended up doing a BC or a coal lending partnership with them, and we've liked the experience and the quality of their book, and that's also, you know, led to potentially a term loan. Now, talking a little bit about where we see the company going, you know, across the next few quarters, right? Our goal is, as you had mentioned even in the last quarter, right, it is to establish at least a 70-80% retail book, and maybe a 20-30% wholesale book. So that trajectory seems to be on track for us. And, you know, we are happy to see that, you know, the trajectory that we had planned for is, you know, pretty much, you know, holding true. With this, you know, I want to talk a little bit about what are some interesting things that we've been working with, working on, and, especially to do with, you know, what we believe is the future of term loans, right?

	So let me talk a little bit about something that, you know, we hinted at in the last quarter as well, but now finally it is live, and we call this a warehouse term loan. So… You know, this is the simplest way in which I would kind of describe this is imagine if a term loan and, you know, imagine if term loan and colending had a baby. That's what a warehousing term loan is. And, you know, all of this is possible because of, you know, a tremendous use of technology, basically. So let me explain to you in simple words what something like this is, right? Typically in a term loan, right, money is just transferred to the, you know, NBFC's bank account, and obviously there are legal agreements in place which control what this money is used for, what are the kind of, you know, borrows that the person can basically lend to using that capital, right? But a warehousing term loan is… A much more deeper integration into the other NBFC, where there is a lot more control from a cash flow perspective and from a policy perspective of what the opposite person is actually doing with the money. So let me explain this in very simple words, right? What typically happens here is that, let's say an example, Apollo decides to give a term loan to another NBFC of 10 crores, right? What would happen is, there would be two accounts which would be created. One would be a bank account, which is a disbursement account, and second would be a collections bank account. Apollo would transfer its 10 crores into the disbursement bank account, and, you know, the partner in BFC would put in their version of the collateral, which is usually in the range of 20-30%, right? And they would basically put in their 2 crores, as an example, into the disbursement account as well. From this, then, Apollo would have complete control, thanks to, you know, Sonic basically ensuring, only the customers and the, you know, borrowers which have been approved by Apollo's Bureau engine, essentially, right, and which is, you know, largely done by Sonic. Those are the customers which are approved, and only those are the customers which end up getting loans from this capital. Right? As and when the customers make the payments, all of those payments come into a collections bank account, and that essentially ensures that Apollo has complete visibility and control over the cash flow in this ecosystem. And also, at the same point in time, Sonic has completely integrated into, you know, the collections bank account, so

that it's recording real-time, not only the payments, but also the quality of the portfolio, right?

And in this way, what Apollo does is ensures that the money that we're giving the opposite, you know, NDFC, is used to do lending to the right set of borrowers, and also maintain live control over the quality of the portfolio, and as well as control over the cash flows, right? So this is…

In our opinion, the future is of term loans.

We strongly believe that this is, again, a clear demonstration of something which I feel only Apollo can do. And the reason for that is, you know, this is, again, a perfect marriage of, you know, lending combined with, you know, tech. And when you do something like this, you are able to build really, really robust structures, which can allow, you know.

Relationships to scale tremendously. This obviously benefits us, because we get to, you know, we get a lot of data, underlying data. And a lot of transparent underlying data about the performance of the portfolio, and if we see that, you know, something like this is really successful, it allows us to, you know, transfer a relationship like this into a co-ending or a BC relationship that much more confidently.

You know, finally, I'd like to highlight one of the things that we are always constantly working on, right? Which is, you know, hiring. And we wanted to highlight this because, you know, the approach that we're taking now to hiring is slightly different to what we were taking so far.

Our goal right now is to end up hiring a team with specifically a lot of experience in, you know, digital ending. We feel like the time for that has come, and largely that's due to the maturity in the ecosystem that we see. The advantage right now that we are observing is that, you know, the industry is about now 8-9 years old, and there are people who have demonstrated, you know, high level of performance and understanding of the ecosystem. So we feel, you know, now's a great time for us to basically hire people with this specific, you know, skill set.

And we've been nurtured, you know, by the industry. And it's a good time for us to get them on board, you know, to help us go to where we are going that much more faster.

So with that, you know, I'd like to pause, and, you know, if there are any questions, would love to, you know, kind of take them from here. Thank you so much.

	The first thing I want to talk about, which is very apparent from our numbers, is that there has been a higher weightage towards term loans as compared to the previous quarter. If you see today, we almost have a 60/40 split, where there's a 60% weightage towards term loans and almost a 40% weightage towards retail loans. Let's talk about how we have reached here and how we are evaluating term loans a little bit. Because one of the things which is very important as a shareholder is, if you're doing term loans, how are you evaluating these companies thoroughly? One of the things you kind of realized is the way you kind of analyze companies which are traditional companies versus digital lending NBFCs, it's quite different. One of the things that we've recognized quite a lot is that it's very important to understand incentives inside a company, especially of those people who are running the company. What I mean by this is that a lot of loans in this space are fairly short-term in nature. By short-term, I mean most people in the digital lending ecosystem do loans to customers which are probably sub-12 months, and maybe there's a smaller percentage of FinTechs doing loans which are less than a couple of years. So one of the things which we really examine inside a company is what are the incentives of the management team? Is it driven by long-term incentives which are usually connected to equity, or is it to do more on the lines of near-term results which can obviously impact their compensation in any format. So this becomes an important kind of signal for us, especially because the signals that we are getting from RBI are more towards having sensible APRs and not taking advantage of borrowers. So this is a factor which we very closely look at. One of the things we've recognized is that in this space, if you have tremendously high APRs, it doesn't even matter how good your collections frankly are because it ends up becoming an excel sheet game where almost anybody can end up making money. But the issue that we recognize over there is the fact that it may end up being a short-lived journey, because the sense that we get constantly from RBI is that they don't want this space to end up becoming digital loan sharks essentially. So this is something which we look at very, very closely. Of course, any company when you're looking at from a financial services perspective, you can't escape looking at their numbers as well. Obviously the usual suspects are mentioned over here, but one of the ones I would like to highlight is debt to equity. This space what we've recognized is a fairly new space. By new space, I mean, it is a space which the RBI constantly comes up with new guidelines. One of the things you must have recognized is that we've started this earnings call with updates from the authority, so it's a space which is ever evolving. So one

	of the things that we are very cautious of is having exposures inside companies which have very high debt to equity. What's different about this space is that maybe in a traditional lending company, a debt to equity of maybe 4 or 5 may not seem excessively high. But what we've observed in this space is that debt to equity anywhere upwards of 2.5 in this space starts to look very, very heavy for the company, because a regulatory change may make their book incredibly volatile, and they may not be able to manage their debt effectively. So this is something that we've recognized after looking at data from across the industry. Of course, it's very important for us as to who are on their cap table, both from an investor perspective, from an equity investor perspective, but most importantly, from a debt perspective. The lens that a debt investor applies to a company is very different to a lens which an equity investor looks at a company. An equity investor looks more, maybe slightly long term. A debt lender looks more short to medium term. Given the space is fairly compact in the ecosystem, the prominent lenders in the ecosystem would probably not be more than 5 or 6. So today, we have associations with them all in some format or the other. So it allows us to get a lot of feedback about the companies that we're evaluating both from a perspective that if you're on the cap table, what do you like about it? And if you're not on the cap table, what was the reason for exclusion? Because it's very rare that there would be a company now in this space which is of decent size, and it wouldn't have been evaluated by some debt investor or the other. Portfolio performance is incredibly important. Here our goal is to understand the kind of product the company is doing. And across the benchmarks that we've seen across the industry, what is their performance relative to the others? Because unit economics are dictated by portfolio performance to a large degree combined with their performance as compared to the rest of the industry helps us understand what grading do we give this company. Are they outperforming the industry, or are they underperforming, or are they remain same as the rest? So this is a very important kind of metric which helps us understand this. Now, I want to talk a little bit about why we have gone about and done these kind of term loans. One of the things this has helped us to establish a fairly large distribution. This distribution is incredibly important because it helps us now go to the next stage. One of the changes in strategy that Apollo has essentially done is that in the past, we tended to partner with early-stage FinTech companies, because there were many, many companies back then, and at the same

	point in time, we felt the industry isn't mature enough. Today, we feel there is a sense of maturity setting in inside the industry, where it's become easier for us to evaluate companies and put in that upfront investment of time, analysis of various forms of diligence. This is what we can do because we are exposing a term loan to them. Had we only been doing a BC Co-Lending partnership with them, it's not possible to do that level of diligence, because the opposite company may not be willing to share the kind of information that we require. But given that we now are first collaborating with them in the form of a short-term term loan, which may be 4 months, 6 months, or maybe maximum 12 months in duration, it allows us to get a lot of thorough diligence done. Once we like what we see, then we end up doing co-lending and BC partnerships with them. When we do these partnerships, they are sizable partnerships now. There has been one big change. In the past, when we used to do BC Co-Lending partnerships, we used to end up doing multiple partnerships, but they would always start small. Now the goal is to end up doing maybe fewer of these partnerships, but commit a significant amount of capital because we've done our diligence, and after looking at all the numbers, we are incredibly positive about these companies. So if I project our AUM a little bit into the future, our expectation is it to be more towards retail, which is 70% towards retail and 30% towards your term loan book, because that will always be to discover new partners potentially, and 70% will be more towards the partners that we have done our diligence on and we've really liked what we've seen. One thing I want to also talk about as the next step is what are some of the tools from a technology perspective which have allowed us to do all the things that I've spoken about right now. The very first thing which you must have noticed a theme in the conversation that we're having today is to talk about industry benchmarks. Given our distribution strategy, we've basically been able to get real-time data inputs from, I would say, the top 10 to 15 players in the industry, which really helps us in the following ways. One, it helps us to understand what is going on in the industry in terms of what are the numerical benchmarks inside the industry, as to what are the defaults that people are seeing in what kind of product, which products are performing better, which pockets of loans are performing better, which geographies are performing better, which PIN codes are performing better. All of this information helps us in two ways. One is obviously to do and have an internal ranking of all the companies that we're evaluating. And second, all of this feeds into our credit algorithm, because usually the credit algorithm which is built by people is focused more towards the data that they see on their own loans. Given that

	we're establishing a fairly large distribution when it comes to data inputs, we are able to take industry level data and feed that into our credit algorithm, which, along with the data that we are also seeing on our own loans, allows us to be a little bit more proactive and better when it comes to dynamically changing our allocations in the products that we have higher exposure to, or companies that we may have a higher exposure to in terms of co-lending or BC. Next, this is something which Apollo, of course, has been building for multiple years, but I wanted to take this opportunity today to talk a little bit more about this, because we've made a few interesting updates as well. We spoke last time about Senti, which is essentially an AI tool which Apollo has built on its own proprietary data, which allows us to monitor all calls which are going to customers and understanding the tone and anything which is potentially non-compliant, it immediately flags it. This is incredibly important, especially in a partnership model, where we have to monitor multiple partners and the various call centers that they're employing to ensure that our borrowers get an ethical and good experience. Now we've gone one step further, which is what's the best way to be extremely cost-efficient and at the same point in time, be 100% compliant when talking to customers. It's AI calling essentially. When you have voice bots doing the calls, you can be assured that number one, the calls will be done in a highly compliant manner. The conversations that they will have with customers are ones which are incredibly polite and nice, and they will never get frustrated. One of the largest feedbacks we've noticed from call centers is because of the large call volumes which happen, a human being who's making these calls and constantly trying to do collections, it can be a frustrating endeavour. And human beings finally can let emotion show. So one of the beautiful things that we're finding out about some early tests that we're doing with our AI voice calling is that it's always in a good mood. It's always maintaining protocol. It's following the script. And it's essentially always making sure it's compliant. And obviously it never gets tired, and it's almost 10 times cheaper. So there are a lot of interesting ingredients that we are noticing which can be a replacement to the call centers which typically people end up using from a collection standpoint. From a collection channels perspective, there's a lot of work that we are doing in exposing multiple channels to the customer in order to make a repayment. Usually people would have to go to the app to make a repayment. Now, we're exploring channels such as WhatsApp, even potentially apps like Paytm or apps like Google Pay, where they will see notifications about an EMI which is due, or the loan amount which is

	due, and just by simply using UPI, they can make the repayment back. It's more than just figuring out the right channels. It's also figuring out the right time in which to ping the customer to maintain the balance of convenience, and at the same point in time getting them to actually pay this loan back. Finally, given the level of distribution that we've established, and the diligence that we have done across the industry, we've also recognized a few best-in-class collection agencies across India who are already working with some of the best FinTechs in the ecosystem today, and we've onboarded them with Apollo, so that whenever we need to go to whichever part of the country, we do have the best-in-class collection agencies which have already seen good results for the rest of the industry onboarded with us. So these are a few of the updates that I wanted to share. Now I wanted to pause and allow you guys some time to ask us any questions you want to. With that, I'll pause the presentation. Thank you so much.
Disha	Thank you, Mikhil and Diksha, for giving such an insightful presentation. We will now open the floor for questions. If you have a question, I would request you to please raise your hand so that I can make you the speaker, and you can unmute yourself and share it with the group.
Investor	Good morning, sir. Yeah, my first question is, why wasn't, the AUM recorded on the presentation? And secondly, for the, co-lending warehouse deal that Mikhil talked about, why are we contributing most of the capital? Can't we have a system where, you know, we use the leverage of our partner, you know, bank to actually take in more of the capital, so, you know, we get more leverage. That's my second question. Thank you.
Mikhil Innani	Sure, so let me give some insights on top of that, right? So one is, I think, you know, we will be sharing the details of our AUM. I think, you know, in the next month, I believe, there is going to be an AGM. So we will be sharing that along with, you know, the details of the balance sheet as well. I think, secondly, to answer your question in terms of you know, in the warehousing structure, right? Why are we contributing most of the capital? So typically, you know, this is, you know, the way we think about this is. So, you know, a 120 or a 130% of the capital that we have put in. So, you know, it's in line with industry, basically, what we are doing at this point in time. I think maybe you're getting confused with colending with another bank. So Apollo does not do colending with another bank at this point in time.
Investor	I see other income of 2 crore rupees in the financial statement. So, I need to know what's that other income ?

Diksha Nangia	Sure. So that's actually, I'm sure you are aware, you know, we've moved offices last year. The previous office that Apollo, was in was owned by Apollo itself. So there's actually been a sale of property that, of course, we have sold, considering, of course, we don't need to be in the real estate business. We'd rather deploy this money towards lending, and that's the other item that you're noticing in the Other Income.
Investor	Alright, thank you. So, as I see in our… that revenue state… revenue has decreased, what's the reason for that?
Diksha Nangia	Sure. So, you know, basically, I'm sure we've told you, we've given this explanation in the past also that our industry is quite volatile and Newer guidelines keep coming up and, not only that, you know, the whole drive for profitability when it comes to all the companies who we are working with, and their lack of ability to get there, has made the entire ecosystem a little volatile in that sense and at Apollo, of course, the stance has always been safety first, in terms of growth.
Mikhil Innani	Sure. So typically, our cost of capital is fairly varied. It goes anywhere between 10 to 13-14%. From a blended perspective, our cost of capital must be sub 12% at this point in time. And typically when we do the term loan, from an (Extended Internal Rate of Return) XIRR perspective, everything is usually 16-17% and upwards. So that's typically what the cost structures look like for us. Like we mentioned earlier, we don't want to be a company that grows overnight and then, you know, leaves everything to luck to move forward. We felt it's… we're in a better situation right now, where we'd rather deploy the funds in a way which we feel are more stable. We want the money to come back. We're also seeing, unfortunately, in the entire ecosystem, there are quite a few NDFCs that have been going bust as well. And keeping all of this, scenario into consideration, we purposely decided to slow our growth in certain, aspects when it comes to NDFC, especially from a direct lending standpoint. And hence, this has affected our P&L, of course. But, Well, the hope is, as Mikhil mentioned in one of the slides that he was talking about, the hope is that now the things will move forward for the better, and we'll be changing this in the coming quarters.
Investor	I want to know whether we do microfinance loans also or we do only unsecured personal loans.
Diksha Nangia	No, we do not do microfinance loans. So, yes, these are retail loans that we do. Microfinance loans are also retail loans, even they could be unsecured loans, but the difference is the income bracket of the borrower. So, the way RBI is defined, microfinance lending is basically a fam- giving a loan to a family member where the entire family's joint income is less than 3 lakhs per annum.

	So we usually don't cater to that audience from a lending standpoint. It requires completely different underwriting methodologies, and as of today, Apollo is not looking at that business.
Investor	Thank you, that's all.
Investor	So my question is, right now, the RBI come up with the, colending directions. So just wanted to know, how do you see partnership and lending model evolve, evolving going forward?
Mikhil Innani	Sure, I think, you know, we look at it as a positive sign, really, right? Like, because I think, already, you know, as we kind of mentioned in a previous earnings calls, right, that we had obviously already started, you know, doing partnerships in the co-lending space. I think, you know, RPI has basically come in and trying to give more clarity over there, right? And at least our initial glance on what we've seen from a guideline perspective, I think it is good, because it brings in a lot of clarity in terms of how the commission has to be, shared, basically, or how the structure exactly should go which basically clears out any ambiguity and makes partnerships that much more easier. And finally, in the end of the day, you know, there was ambiguity whether, you know, NBFCs can even do these partnerships with other NBFCs, etc. But obviously, the ecosystem, you know, really has grown in terms of, you know, co-ending partnership between NBFCs, and it's good to see, basically, RBI acknowledge that, and not only acknowledge that, but come up with, you know, a clear goal that we're going to come up with a clear set of guidelines which will lead to partnership kind of prospering. So, we see this as a supportive action, and we see this as an action where RBI is trying to bring clarity on how can, you know, two regulated entities do co-lending together.
Investor	Hi, So I just wanted to ask, is warehousing loan a tested model, in the sense that, has it been implemented in the Indian digital lending landscape before? And also, in case the book quality deteriorates, how do you mitigate your exposure?
Mikhil Innani	Tech involvement, you know, from both sides. Usually, you know, at least in the fintech ecosystem, historically, what's ended up happening is that you know, I think maybe fintechs were open to these kind of integrations. I think the problem has always been the lender, you know, being unable to, you know, do this deep level of integration into the systems of the opposite, you know, of the borrower in this case, which is the NBFC. So, I think, now with, obviously, Apollo, you know, kind of paving the way, our expectation is that potentially, you know, maybe over the next 2-3 years, depending on, you know, how much we're able to scale this,

	we feel like the rest of the industry will also be very interested in replicating structures like this. Because, you know, to answer your second question in terms of, you know, how do you… how does this kind of help in the risk, right? So, just to give you an example, right, what typically our structures look like is you know, they're very dynamic structures, and what I mean by that is, potentially, you know, initially we may start with maybe collateral of, say, you know, worth 20%. To give you an example, maybe against a 10 crore loan, the opposite person has to put in, you know, at least 2 crores of their own capital, and we hypothetically potentially 120% of the money that we've given. But in case, you know, that portfolio doesn't perform as per our expectations, you know, maybe due to, you know, poor level of collections, or whatever scenario, right? Essentially, we do have clauses in our agreement which enforce the opposite person to add in more capital as well. So, 20% can potentially become 25% or 30% if their portfolio doesn't, perform as per the expectations that we has laid out in the legal agreements. And finally, in the case where, for whatever reason, we realized the NBFC itself is, maybe not doing too well, right? Apollo can simply start withdrawing its money from the collection, you know, account that we opened up, because all of the money coming from, you know, the retail borrowers who who've been funded by this facility, they all have, you know, repayments which are linked to this particular bank account. So as and when the money comes back from the borrower all of it is just withdrawn and taken by Apollo, right? So this obviously protects in two ways One, from general portfolio deterioration, and secondly, more robustly in the case of the NBFC having liquidity issues, So it's a pretty robust structure in that way.
Investor	Thank you, sir
Disha	Okay, so we have one question in our Q&A section. It says, is long-term secular growth of, say, 20% year-on-year income possible? How do you estimate visibility of business?
Mikhil Innani	I would say, aspirationally that is very much possible, and, you know, that's what we want to do. We always refrain from giving any future guidance in terms of revenue, etc, right? Because our focus is more on the how than the destination,

	you know, like, you know, to use just to use an old adage, right? Like, the journey is more important than the destination, right? For us. I think over the last 8 years, we've learned quite a lot about this industry, and we've hinted in the past as well, like, you know, we feel like now is a very good time for Apollo to make I would say, you know, bolder steps and, you know, more dramatic, you know, changes and steps towards, you know, getting to where we want to go a little bit faster than how we were doing it in the past. So I'm expecting the same trajectory to kind of happen over the next upcoming quarters, and, you know, this is also the 40th year of Apollo, So we hope, we can do some things over here which are quite memorable, and also make the year much more interesting, and probably we'll have, you know, some interesting things to share in the coming quarters, you know, on that front as well. But for now, you know, we're waiting for, you know, the proof in the pudding to talk about those things as well.
Investor	Hi, First question is for a short-term perspective Like, if you were to strip out this quarter's one-off income that is around 2 crore. Apollo's annualized profits would be around, closer to, say, 4 crore. And last year, we did around, 9 crores. So, with partner additions capped and our expenses structurally are going up also, because we are expanding in terms of B2C, lending partnerships and other things. So how exactly are we going to bridge this, profitability gap going forward?
Mikhil Innani	Sure, I mean, just to give you some perspective like, I would take this, the changes that we are doing is all in line with our expectation, which is that, you know, we are moving So, just to give you a little bit of a long-term view. Basically, as you kind of hinted in the last couple of quarters, we moved from a very retail-heavy focus towards more defensive position, I would say, which is having more, kind of term loans going on, essentially. I think now we are switching back to retail, because we feel a lot of the volatility in the space which was there, largely from an RBI pricing perspective, you know, that's kind of gone away. And, you know, that is reflective also in a lot of fintechs that we work with, who have, you know, lowered their prices as well for the retail customers, and we feel like that space is a little bit much more solid, than where it was before. Given this, I think we are in the middle of a transition period, and this is what I would say this quarter has been all about, which is making that

	transition. And our goal is very clear that once we make this transition, right, our hope is going to be more towards scaling the retail book. That's something which we have experienced for over the last 7-8 years, that's an area which we are very, very comfortable with. So I think, hopefully, over this year, and the coming next year, I think I would expect a lot more growth coming from retail, and hopefully all of that would translate into numbers as well. But I would potentially say that last year is very different to this year, because this year, basically a lot of changes brought by the RBI in digital lending. They've been very active, this year, particularly when it comes to pausing even very, very large NDFCs. The impact is very huge, I think, not only them, but the rest of the ecosystem. So that is something which, you know, we've had to absorb this year. So our hope is, with all the changes that have happened in the ecosystem, I think for the rest of the year and the coming next year, we should see positive reverberations from that.
Investor	Okay, great. This question is more from a long-term perspective, We have, in the past, we have talked about Sonic, and now Senti, and other things, you know, what are the modes that we are building, very silently, inside, which will, look very obvious, especially to stock markets, because given, we are at a 3-year low, or something like that, and I understand that, that is now beyond our control. But what are the things that are going to look very obvious in hindsight to the stock markets that are not visible right now?
Mikhil Innani	I mean, you know, to answer this question, I would just say that Apollo's focus and elaborate on that the way I think about, the strength of Apollo is that, there's… if there's one thing that we know is digital lending, and it's not about, like, knowing it from a qualitative perspective, I think we quantitatively know digital lending, because we frankly have so… we have data over the last 8 years doing just this. So I think, you know, there will be a point, you know, historically, looking back, at this company where, people will think that this was so obvious. You know, that a company was building in a space which is basically, in my opinion, like, digital lending is nothing but a math problem. Basically, it is ultimately all the lending which is done over here. If you have enough data, it's ultimately a math problem, Like, you know, you have to basically build a model which predicts defaults, essentially and you have to for the riskier segment, you have to price it accordingly. So, to me, ultimately, if I was to look 10 years into the future, I would probably think that, you know, this would be very, obvious, you know,

	looking at a company like this, because If you ask me, like, that is a big issue, I think, or big mistake, which a lot of, you know, other lenders are pretty much doing, which is, you know, trying to go too fast, and then you end up crashing the car, and then, you know, there is no more car to basically drive. I think for us, what we've been doing very silently is that over a period of time, we have… we have a lot of data, we have a wide variety of data and this, you know, has really helped us, basically, in doing smarter and better underwriting, better pricing, everything across the board, and that's, you know, already beginning to reflect when you look at our NPA numbers especially over the last few quarters. So, if I was to just project this, you know, 5 years or 10 years down the line, I think all the actions that we will take, from now onwards, we'll keep reflecting this one strength of ours, where we just know how to do this stuff, and it's not even about, building company DNA, it's about, building the data to do this.
Investor	Okay. And, one more thing is, like, do you think capital is a hindrance for us? Because like, if I were to actually break it down to the two major components, one would be, we are lending, and that is the interest income that we are earning. And the other would be, obviously, Sonic, I guess. So, how we are doing on the front, that is Sonic right now. Of course, we are in a building phase right now, but are we seeing any positive signs from our partners.
Mikhil Innani	So, Sonic is basically the backbone of the company. In simple words, that is, like, the differentiator of, APollo to anything else because variety of factors, I mean, number one, it allows us to integrate with any other, lender whether it is a fintech or NBFC, in a couple of weeks where rest of the industry yet continues to take 6 months. You know, there are jokes in the industry where integrating with somebody is equivalent to a pregnancy, where by the time your integration is done, a child is born somewhere, you know, right from start to finish. It's that slow and that painful. For us, like, that's something which is obviously not, true at all. In a couple of weeks, we're able to, you know, integrate with somebody, and we're in a space, in any startup or any tech ecosystem, time is money. So that's point number one. I think point number two from a Sonic perspective, is it helps, you know, in internal operations as well, right? A lot of the reports which other people are ending up doing manually, you know, we've continued to build a lot of, you know, automations which have made the jobs of our own team much, much, you know, easier.

	Obviously, a more public example of that is something like, you know, Senti, right? Where if you're doing a lot of partnership business the biggest problem is that a lot of these guys end up having so many call centers doing calls to borrowers, and how do you monitor all of these calls and make sure that everything is, you know, compliant and you're speaking, you know, professionally with borrowers, right? Because this is a huge problem, not only, I would say, in digital lending, but in lending altogether. If you just feel bad collection practices, you'll come up with a thousand articles, even from people like a Bajaj or an ICIC or whoever, all doing malpractices when it comes to doing collections, which I personally like to believe that it's not something that they want to do, but it's a rogue collection agent taking steps on their own just to earn more commission or, bonus, basically. By scaring the borrower but obviously, that's not compliant. Now, if you think about scale, you can't do this without basically, high level of automation, and that's where AI has come in. I think AI is going to change the game completely to especially to do collections. Now, I think one part which we've already publicly spoken about is doing collection, monitoring collections using AI, right? But I think the next phase of digital lending is going to be collections itself happening through AI, through voice bots, you know, and that's something which, you know, we've seen enough demos inside the company to truly believe that, you know, when these demo calls are happening and, you know, collections are happening through voice bots etc. It's pretty much indistinguishable from a human being talking to you. I think we are reaching that phase already, you know? I think there are already, enough beta tests going on for me to pretty confidently say that there are, clear instances of a bot calling up a borrower to do collections, and the opposite person not realizing that he's actually talking to a bot. So, a lot of those things are basically already at play, and the more and more, you know, I see all of these things, it makes me feel like every industry is ultimately a tech company, or a tech industry where domain expertise is very important, but I think that tech DNA of a pool of invest, is what, you know, really helps us differentiate and do things, you know, which other people, can't do as efficiently or can't do as fast. It'll always be very, very apparent, and we feel that every single day.
Investor	You know, I've been, like, tracking Apollo for the last 2-3 years, and we have, like, Sonic has always been point in the conversation. So, this is a question on Sonic. Are we just a, like, you know, 2X enabler for compliance and things for our partners, or are we actually going to help them, you know, in 10x ways? That is one thing. And how sticky

	Sonic really is? As in, what would be our oldest partnership, I don't know, as of today? Do we have any partners that have, like, stuck on with us for the last 5, 7, 10 years? I don't know.
Mikhil Innani	I think, unfortunately, like, most partnerships… I mean, the oldest partnership you'll probably have right now is, like, maybe two and a half, three years, and this is, you know, more a reflection of the space, you know, than it is to us, right? I mean, very honestly, if you just try to look at any company from a fintech perspective, which have been there for the last, you know, maybe 7, 8, 9 years, I think that list is incredibly small. And we've had very public examples of companies like Zest Money or a LendingCart, basically, were, at some point in time, I would say the poster boys of the industry, but, are completely absent today, right? So I think, you know, this space, I personally feel now. I think that will change significantly, right? And we said that in the last quarter as well. I feel now we are seeing a lot more industry, a lot more companies actually being profitable. You know, if you would have asked me this question, like, 2 years ago, I would have said, you know, maybe less than 5% of the industry is profitable. Today, I would say more than 60-70% of the industry today is potentially profitable, right? So I think the industry is widely changing, and that is very, very helpful. Because from an Apollo standpoint, that leads to more stable partners, and also at the same point in time, the incentives are very much aligned of us and our partner, where in the past, they really wanted to scale up. And, you know, at the cost of, you know, a poor quality book, but now, I think they are as worried about unit economics as, you know, we are, to make sure that not only are our partners profitable, but obviously at the, you know, back end, we are also profitable, which ends up creating a more stable partnership because nobody ends up wanting to break up a relationship where you're getting capital and, you know, really great technology. As long as, you know, you yourself are making money as well.
Investor	Okay, that's it from my side. Thank you so much, Mikhil.
Mikhil Innani	Thank you
Disha	Thank you, Mikhil. Alright, it looks like we have covered all the questions as of now. If you have any further questions, please drop us an email. Our team would be more than happy to get back to you. Thank you all for joining our today's call and the continued support to Apollo's journey. Have a great day.